

INFORMATION LETTER

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NATIONAL CANNERS ASSOCIATION

For Members
Only

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FEDERAL OLD-AGE BENEFITS TAXES

Records Required, and Provisions Governing Returns and Payment of the Tax

This is the last of a series of articles discussing the provisions of Regulations 91 issued by the Bureau of Internal Revenue under Title VIII of the Federal Social Security Act. This Title, it will be recalled, levies taxes on both employers and employees in connection with the FEDERAL OLD-AGE BENEFITS program. These taxes become effective January 1, 1937, and apply to every canner who employs one or more persons. They are in addition to and should be sharply distinguished from the taxes levied on employers alone under Title IX in connection with the UNEMPLOYMENT COMPENSATION program. These latter taxes became effective January 1, 1936, and apply only to those cannery who employ eight or more persons for twenty weeks during the year.

In our discussion of Regulations 91 in recent issues of the INFORMATION LETTER, we have pointed out that Title VIII of the Social Security Act levies two taxes in connection with the Federal Old-Age Benefits program. One is an excise tax on the canner and the other is an income tax on his employees. The employee's tax is collected by the canner by deducting it from the employee's wages. These taxes are predicated on the employer-employee relationship and are levied on the first \$3,000 of wages paid to employees subject to the Act. Employees who are thus covered and those who are exempt were discussed at length, and the items which are properly included as wages were enumerated. The taxes become effective January 1st and apply to all wages paid for services performed after that date.

Records Required

Manifestly, if a canner is to accurately compute the tax which he must pay, he must keep accurate records as to the services performed by and the wages paid to each employee. Recognizing this, the Regulations in Article 412 specify certain information which every employer's records must contain. In addition, the problem of record-keeping is further complicated by the requirements in connection with the unemployment compensation portions of the Act and the various State unemployment compensation statutes. It is suggested that every canner again refer to the Association's pamphlet on Social Security issued last January and read the discussion of record-keeping. The suggested forms should also be carefully studied with particular reference to the record requirements under the unemployment compensation portions of the Act (set forth in the INFORMATION LETTER

of April 11, 1936 at page 4907) and the following discussion of old-age benefits records.

Under Article 412 of Regulations 91, each canner must keep the following records in connection with the old-age benefits portions of the Act:

Information with respect to his employees.—Since the tax is predicated upon wages paid to employees, a detailed record for each employee is necessary. This should show:

1. The employee's name and address;
2. His age: Since the Act does not apply to employees over 65 and the canner has the burden of establishing this fact, this information should be kept with the greatest accuracy possible.
3. The account number which has been assigned to the employee by the Social Security Board. This is necessary in making the required returns under the Act. (The procedure used in assigning these numbers was outlined in the INFORMATION LETTER of November 14, 1936.)
4. The occupation of each employee, and the date when his services began and were terminated.

If the employee is one clearly covered by the Act, this information as to occupation need not be kept in any great detail. A designation such as "executive," "process man" or the like would be sufficient. If, however, there is any possibility of securing an exemption for the employee, the

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COSTA RICAN TRADE AGREEMENT

Reductions Made in Duties on Number of American Canned Products

The United States and Costa Rica signed a reciprocal trade agreement on November 28th. It is subject to approval by the Costa Rican Congress, which is now in session, and will not come into force until thirty days after its proclamation by the presidents of the two countries. The agreement is the fifteenth to be concluded under authority of the Trade Agreements Act, and it is the eighth to be signed with a Latin American country. In common with the other agreements already negotiated, it provides for most-favored-nation treatment.

Costa Rica has granted the following tariff advantages that are of interest to cannery (the Costa Rican colon is equivalent to about 18 cents U. S. currency):

CANNED PORK.—The duty on canned pork, including minced pork and sausages, is reduced to 1.30 colones (23.4 cents) per gross kilo, a reduction of 35 per cent. This item represented \$9,000 of trade in 1929 and about \$1,500 in 1935.

CANNED FISH.—Under this heading are included canned salmon, mackerel, shellfish, and sardines when prepared in

tomato, mustard, or other sauces. The duty is reduced to .50 colon (9 cents) per gross kilo, a reduction of 33 1-3 per cent. Trade in these products amounted to \$36,000 in 1929 and \$17,000 in 1935.

CANNED MILK.—The new rate on evaporated milk will be .20 colon (3.6 cents) per gross kilo, a reduction of 33 1-3 per cent. On condensed milk the rate of .30 colon (5.4 cents) per gross kilo is bound against increase. The value of United States shipments of evaporated and condensed milk to Costa Rica were \$18,000 and \$87,000 respectively in 1929, and \$6,000 and \$10,000 in 1935.

CANNED FRUITS AND VEGETABLES.—A reduction of 33 1-3 per cent is given on canned fruits and vegetables, the new rate being .50 colon (9 cents) per gross kilo. Trade in these respective products for 1929 was \$25,000 and \$11,000; for 1935, \$3,000 and \$3,500.

The United States imports of foodstuffs from Costa Rica affected by the agreement are:

PINEAPPLES.—In crates, pineapples are given a reduction from 50 cents to 35 cents per crate; in bulk, a reduction from 11-6 cents to 9-10 cents each.

BANANAS.—The duty is reduced one half, or to 17½ per cent ad valorem on dried, desiccated, or evaporated bananas. Free admission of green or ripe bananas and plantains is bound.

MANGO AND GUAVA PASTES AND PULP.—A reduction from 35 per cent ad valorem to 28 per cent is given. The duty on prepared or preserved guavas is reduced by one half, or to 17½ per cent ad valorem.

COCOA AND COFFEE.—These products are bound on the free list, except coffee imported into Puerto Rico.

First Hearing on Robinson-Patman Complaint

The Federal Trade Commission will hold its first hearing on a complaint charging violation of the Robinson-Patman Anti-Price Discrimination Act, Monday, December 7, in Boston. Testimony will be taken beginning on that date in the case of Bird & Son, Inc., Bird Floor Covering Sales Corporation, both of East Walpole, Mass., and Montgomery Ward & Co., Inc., Chicago.

Bird & Son and its subsidiary are charged with selling floor coverings to Montgomery Ward & Co. at substantially lower prices than such products are sold to competing retailers. The same complaint alleges that Montgomery Ward & Co. violated the act by knowingly receiving the discrimination in price given by the other two respondent companies.

AGMA Officers for 1937

At the annual meeting of the Associated Grocery Manufacturers of America in New York City, the following officers were elected for the coming year: President, Paul S. Willis; First Vice-President, J. P. Span, Jr., Swift & Co.; Second Vice-President, C. F. Baumgart, Kellogg Co.; Third Vice-President, W. R. Barry, Gold Medal Foods, Inc.; Treasurer, B. E. Snyder, R. B. Davis Co.; Secretary, L. J. Gumpert, B. T. Babbitt, Inc.; Chairman Legislative Committee, W. D. McKenzie, Quaker Oats Co.

Fruit and Vegetable Market Competition

Carlot Shipments as Reported by the Bureau of Agricultural Economics, Department of Agriculture

	Week ending—			Season total to—	
	Nov. 28 1935	Nov. 28 1936	Nov. 14 1936	Nov. 28 1935	Nov. 28 1936
VEGETABLES					
Beans, snap and lima	179	302	303	1,188	1,382
Tomatoes.....	73	110	209	100	253
Green peas.....	3	3	162	6	8
Spinach.....	108	206	119	491	641
Others:					
Domestic, competing directly.....	2,296	3,079	2,794	57,910	66,621
Imports competing—					
Directly.....	0	1	0	0	1
Indirectly.....	102	50	66	686	645
FRUITS					
Citrus, domestic....	3,294	3,597	3,172	14,159	19,797
Imports.....	6	0	1	335	94
Others, domestic....	228	320	1,269	49,389	51,668

New Home Economics Publication

With this issue of the INFORMATION LETTER there is mailed a leaflet on canned pears prepared by the Home Economics Division. Two other leaflets are now in the course of preparation, one on canned peaches and the other on the use of canned foods to secure an adequate diet.

LIABILITY FOR DAMAGES

Decision of Interest to Cannery with Separate Manufacturing and Selling Corporations

A decision was recently rendered by the Circuit Court of Appeals, 5th Circuit, in the case of *McLean v. Goodyear Tire & Rubber Co., Inc.*, 58 F. (2d) 150, which will be of interest to cannery who maintain separate corporations for their processing and selling operations.

The action was brought in the District Court of the United States for the Eastern District of Texas against Goodyear Tire & Rubber Company, Incorporated, a Delaware corporation doing business in Texas, to recover for damages resulting from an accident caused by a blow-out of an automobile tire. The petition alleged that the defect was latent and was not discernible by ordinary inspection when the tire was purchased, and that when plaintiff received it he considered it safe to use.

The undisputed evidence showed that the defendant, the Delaware corporation, did not manufacture the tire but that it was made by Goodyear Tire & Rubber Company, an Ohio corporation which owned all the stock of the Delaware company. The two corporations had practically the same directors but they did not have the same employees and their books were kept separate. The Ohio company did not sell tires to the public but sold them only to subsidiaries, such as the defendant Delaware company. The Delaware company bought the tires outright from the Ohio company and in turn sold them to independent dealers, from one of whom the plaintiff purchased the defective tire.

When it appeared in the course of trial that the plaintiff had sued the wrong company, he sought by amendment to

hold the Delaware corporation responsible for the defective tire manufactured by the Ohio corporation on the theory that it was the alter ego of the Ohio corporation and that they were to be considered as one and the same company.

A verdict was, however, directed for the defendant at the close of the evidence, and the Circuit Court of Appeals for the 5th Circuit affirmed this judgment, saying:

"(1) It is conceded that on the facts shown plaintiff would be entitled to recover against the manufacturer of the tire. It is equally clear that an independent dealer selling the tire would not be liable. 24 R. C. L. 508, Sec. 801, 'Sales'; 45 C. J. 892, Sec. 331, 'Negligence'. In order to sustain the contention that the Delaware company is the alter ego of the Ohio corporation, plaintiff relies upon the following authorities: Chicago, Milwaukee & St. Paul Ry. Co. v. Minneapolis Civic Ass'n, 247 U. S. 490, 38 S. Ct. 553, 62 L. Ed. 1229; Luckenbach S. S. Co. v. W. R. Grace & Co. (C. C. A.) 267 F. 676; Pacific American Gasoline Co. v. Miller (Tex. Civ. App.) 76 S. W. (2d) 833.

"(2) In each of the above-cited cases the parent organization was in court and was held responsible for acts committed by the subsidiary. The rule of corporate identity is clearly stated in the last-cited case, page 851 of 76 S. W. (2d) as follows: 'The legal fiction of the separate entities of two corporations, the stock of which is owned by the same parties, should be disregarded when necessary for the prevention of fraud or to protect the legal rights of third parties.'

"(3) The rule does not apply in this case. Here there is no question of fraud presented and plaintiff is not deprived of any legal rights, as he could have sued the Ohio corporation in a court of competent jurisdiction. The Ohio company was not licensed to do business in Texas and was not in fact doing business in that state. It could not be sued in Texas by service on the Delaware corporation. The Ohio corporation had the right to create the subsidiary for the purpose of dividing its business and, notwithstanding the identity of stock ownership, for the purpose of its usual business, not involving fraud or infringement upon the legal rights of third parties, they are to be considered separate entities. The following authorities support this conclusion: Pullman Palace-Car Co. v. Missouri Pacific, 115 U. S. 587, 6 S. Ct. 194, 29 L. Ed. 499; Peterson v. Chicago, R. I. & P. Ry. Co., 205 U. S. 364, 27 S. Ct. 513, 51 L. Ed. 841; Cannon Manufacturing Co. v. Cudahy Packing Co., 267 U. S. 333, 45 S. Ct. 250, 69 L. Ed. 634; Consolidated Textile Corporation v. Gregory, 289 U. S. 85, 53 S. Ct. 529, 77 L. Ed. 1047; Majestic Co. v. Orpheum Circuit (C. C. A.) 21 F. (2d) 720.

"Since defendant was not liable for the damages caused by the defective tire, it follows that the direction of the verdict was right."

Berry's Conference to Meet December 10-11

A definition of interstate commerce "which recognizes the nature and economic functioning of industry and commerce today" is expected to be one of the highlights of the legislative program to be formulated by the Council for Industrial Progress at its conference in Washington on December 10th and 11th, according to Coordinator George L. Berry.

The details of the legislative program, he stated, would result from agreements reached by the Council within itself, and the committee reports adopted last April indicate the trend of the proposed legislation. Other than consideration of the Council committee reports, the further agenda of the meetings must come, he stated, from spokesmen for industry management and labor.

Plans for the meeting call for open sessions on December 10th, with addresses by representatives of the various groups on the general subject of legislative needs. The following day will be devoted to executive sessions of the Council to consider the reports adopted last April. Press reports indicate that a considerable number of the larger industry associations will not have official representatives at the conference, but that smaller units of industry will have a large representation.

CUBAN VEGETABLE PROSPECTS

Larger Exports to United States Expected During Season Just Opening

As the Cuban winter vegetable crop approaches maturity a survey indicates that exports to the United States of the leading items during the shipping season, between November 1, 1936, and April 30, 1937, will total approximately 2,215,000 packages, an increase of about 20 per cent over record exports during the last shipping season, according to the American consul at Habana. The month of October passed without severe storms that at times prevail during that period and the growing season has been characterized by generally favorable conditions. However, in certain sections excessive rainfall is reported to have caused some damage to maturing crops and in others lack of moisture has retarded growth. Unfavorable moisture conditions and dry winds are two damaging factors that still must be considered during the remainder of the growing season.

Tomatoes accounted for approximately 65 per cent of the volume of all vegetable exports from Cuba to the United States last winter and spring. This year tomato plants have not only been set out in far greater quantities than in former years in the Provinces of Habana and Pinar del Rio, but the growing of tomatoes for export has been extended to the province of Santa Clara.

The latter province heretofore has produced tomatoes suitable chiefly for the domestic market, but shippers and growers this year have combined to spread the crop area of exportable tomatoes, in the expectation that crop damage from storms and moisture conditions will not prevail in each of the provinces in question.

The first shipment of tomatoes to the United States from this year's crop consisted of 130 lugs during the first week in November. While a substantial quantity of tomatoes is stated to have matured sufficiently to harvest at this time, for the most part the earliest tomatoes are stated to have been so badly damaged by heavy rains that they cannot withstand shipping and are being sold locally or destroyed. In districts where rainfall has been less than required, tomatoes will not be ready for harvesting for two weeks or more. As a result it is not now anticipated that shipments for export will attain much volume until after November 20. Exports during 1936-37 (November 1 to April 30) are estimated at 1,500,000 to 1,700,000 lugs of 30 to 32 pounds net weight, as compared with 1,317,991 lugs during the last corresponding season.

Small shipments of lima beans already have been made to the United States from this year's crop, which is stated to be excellent. An increase of at least 20 per cent in shipments

is anticipated, or about 182,000 hampers of 35 pounds net weight, as compared with 151,282 hampers last season.

Until the seasonal preferential tariff in the United States becomes applicable on December 1st, Cuban fresh vegetable exports will consist largely of lima beans and some tomatoes and okra. Shipments of eggplant, peppers, and cucumbers do not promise much volume until early in December. Exports of eggplant for the entire season now are not expected to be more than 172,672 crates (each of 50 pounds net weight) sent to American markets last winter. Similarly, shipments of okra are not expected to exceed the total movement of 45,868 containers (35 pounds net weight) sent to northern markets last season.

The green pepper crop, however, is stated to be excellent, and total exports, it is now anticipated, may reach 265,000 crates of 45 pounds net weight, or about twice the volume shipped last winter. Present indications are that the cucumber crop, produced chiefly on the Isle of Pines, will be somewhat less than a year ago as the estimated acreage is 600 as compared with 725 last year. Plantings may be slightly increased, however, as the season advances. Last winter 49,962 crates (average net weight 50 pounds) were exported to the United States.

DATA SOURCE BOOKS

Helpful Publications Issued by the Bureau of Foreign and Domestic Commerce

In a recent address on marketing research Mr. N. H. Engle, Assistant Director of the Bureau of Foreign and Domestic Commerce, made reference to a number of books issued by that Bureau presenting information of interest to industry and trade as well as giving lists of sources from which further data may be obtained.

The Bureau of Foreign and Domestic Commerce prepares and publishes such works as "Market Research Sources," and the "Consumer Market Data Handbook," a new edition of which was recently released. The Statistical Abstract of the United States also falls under this heading as does the Supplement to the Survey of Current Business, a new one of which is now in preparation.

The Market Data Handbook, Mr. Engle stated, is perhaps most valuable of these basic source books to marketing experts. It contains data on retail, wholesale, and service trades, supplemented by the latest available figures for each county on the number of automobiles registered, the number of telephones, the number of homes wired for electricity, the number of farm families, and so on. A very large part of the data in this Handbook is given for counties, and, for many items, for cities of 2,500 population or over. It is applicable to the problems of every executive responsible for merchandise, whether the problem has to do with national, regional, or local markets. Mr. Engle expressed the hope that it will be possible to issue a companion study, "The Industrial Market Data Handbook," which will provide for the industrial marketing executive a similar means for basic market measurement.

A close second in popularity to the "Market Data Handbook," according to Mr. Engle, is "Market Research Sources," a newly revised issue of which was published early this year. This publication contains references to practi-

cally all organizations engaged in research in the field of marketing, whether they are governmental, scholastic, or private. It also contains a very comprehensive bibliography of research reports of current value.

The third revision of Sources of Current Trade Statistics, another basic study, will appear shortly after the first of the year. In it are listed sources of pertinent, current, economic statistics which are released by the Government, trade associations, and private institutions. Data for which sources are given include production, new and unfilled orders, stock, retail and wholesale prices, shipments, employment and pay rolls, exports and imports, consumption, and related data.

In the field of trading-area studies the "Wholesale Grocery Atlas" is being revised. This book shows the wholesale grocery areas served from different centers throughout the United States. Overlapping, as well as primary, territories will be mapped. The accompanying tables will provide market statistics for counties and cities throughout the country. Also of interest to marketing men is the series dealing with trade associations by industries, one of which covers the foodstuffs industries. These reports present a complete summary of recent economic trends in the industry concerned and of sources of further information, governmental and non-governmental in character. The Trade Associations Section of the Marketing Research Division of the Bureau, which is preparing this series, is also revising and bringing up to date its extremely valuable list of "Selected Trade Associations in the United States."

RULING ON AGENCY CONTRACTS

Dealer Held Agent of Manufacturer When Latter Makes Delivery Direct

In the INFORMATION LETTER of November 14th, the attention of canners was directed to a ruling of the Department of Labor under the Walsh-Healey Government Contracts Act which was of vital importance to all canners who have considered the possibility of submitting their bids on Government contracts through wholesalers. It was pointed out that under this ruling if a wholesaler, in submitting a bid on a Government contract, quoted the canner's price and had the canner ship direct to the Government, the wholesaler would be deemed the agent of the canner and the canner would be held responsible for conforming to the labor stipulations contained in the contract.

On November 25, 1936, the Department of Labor issued a new ruling on this subject revising and replacing the old one. The text of this ruling is as follows:

"Whenever a dealer, to whom a contract within the act and regulations has been awarded, causes a manufacturer to deliver directly to the Government the materials, supplies, articles or equipment required under the contract, such dealer will be deemed the agent of the manufacturer in executing the contract. As the principal of such agent the manufacturer will be deemed to have agreed to the stipulations contained in the contract."

The principal change in this regulation is that the wholesaler is deemed the agent of the canner if he merely has the canner deliver directly to the Government, whereas, under the old ruling, in addition to having the canner deliver directly, the wholesaler must have quoted the canner's price. Furthermore, the ruling states that the canner in such case

"will be deemed to have agreed to the stipulations contained in the contract." It appears that under this clause the Department of Labor is attempting to impose upon the canner an absolute liability where the necessary state of facts exists. Under the old ruling, it was felt that the canner could rebut the presumption thus created by showing that the wholesaler was in fact acting for himself and was not the agent of the canner. Considerable doubt exists whether the presumption created in the new ruling can be thus rebutted.

FEDERAL OLD-AGE BENEFITS TAXES

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information as to his occupation should be set forth with greater particularity. For example, if a canner feels that an employee is exempt as an agricultural laborer, a complete record of his services should be kept, including the nature of the services, whether growing and harvesting, packing and processing, etc.; the farm on which the services are performed, the owner of the farm, etc. Furthermore, in all cases a record should be kept of any changes in the occupation of the employee together with the date of the change. This latter is of particular importance where an employee works part of the time in an exempt employment and the remainder of the time at services which are covered. In the Association's pamphlet a form for an individual service record was suggested which should prove satisfactory for keeping a permanent record of the above information.

Information with respect to wages.—After a canner has determined which of his employees are subject to the Act, and has accurate records containing the necessary information with respect to each employee whether subject or not, the next step in computing tax liability is to determine and record the taxable wages paid to each employee. His records must show the total amount of remuneration which each employee receives exclusive of any deductions, and the period for which it is made. This must include wages paid in any medium other than cash, such as food, lodging, etc. (In the suggested payroll record form in the Association's pamphlet, this information would appear in columns 6 and 7 with the total in column 8.) The portion of this remuneration payment which constitutes "wages" subject to tax should also be indicated (column 16 in the suggested form). If for any reason the taxable wages do not equal total remuneration, the reason for the difference should be set out. Thus, if part of the remuneration was wages for exempt services, this should be noted (a footnote at the bottom of the suggested form would be sufficient). The date when the wages were paid must be shown. This is important because the tax does not attach until the wages are paid. (For discussion of when wages are paid, either actually or constructively, see INFORMATION LETTER of November 28, 1936.) In addition, the records must show the amount of the employee's tax deducted or collected with respect to the wages (column 10 of suggested form). If such collection is made at a time other than the time when the wages are paid, this fact must be noted.

The information outlined above must be kept in detail for each employee. A mere summary of the total wages paid to all employees is not sufficient under this portion of the Act. The Regulations contain no requirements that the number of hours and daily earnings of such employees be kept.

Since such information is required under some of the State acts, however, and may be required under others, it is highly desirable to keep it in the manner described in the Association's suggested form.

Copies of returns, schedules, and statements.—The canner should also keep as a part of his records, copies of all returns, schedules or statements which he may file with the Bureau of Internal Revenue with relation to any of these taxes.

The Regulations do not prescribe any particular form for keeping the required records. Any form is sufficient which contains the above information and enables a proper computation of the tax. The records must be kept in a safe place and must be open to inspection by Bureau of Internal Revenue officials at all reasonable times. These records must be kept for at least four years after the date when the tax to which they relate becomes due or is paid, whichever is the later.

Returns and Payment of the Tax

After the canner has established accurate records of the character outlined above, the taxes may be readily computed by applying the rates and methods discussed in the last issue of the INFORMATION LETTER. The method of filing returns and paying the tax are outlined in Articles 401 to 411 of the Regulations.

Monthly returns and payments of the tax required.—(Art. 401 and Art. 410.) Beginning with January, 1937, each canner is required to make a monthly tax return, in quadruplicate, on Form SS-1. This return must be filed on or before the last day of the month following the month for which the return is made (Art. 409). Thus, the return for the month of January will be due on or before February 28, 1937, and that for February on March 31st, etc. These forms have not yet been issued, but it is probable that they will require only a summary of the total amount of taxable wages paid during the month together with the employer's and employees' taxes due thereon. The taxes are due and payable at the same time these monthly returns are due.

Initial and quarterly information returns.—(Art. 402.) In addition to the monthly tax returns described, the employer is required to file periodic information returns reporting (1) a summary of the taxable wages paid during the period covered by the return and the taxes with respect to such wages, and (2) a detailed record of the taxable wages paid to each employee during the period. These returns are in two parts. The first, made out in duplicate on Form SS-2, covers the summary information required. The second is Form SS-2a and covers the taxable wages of each employee. A separate SS-2a must be made out for each employee, but only the original copy need be filed. The first information return of this character covers the period from January 1, 1937, to June 30, 1937. It is due on or before the last day of the next month (July 31, 1937). Thereafter, the returns must be made for each quarter, and are due on the last day of the month following the close of the quarter. In making these returns the canner must use the *identification number* which has been assigned to him by the Social Security Board, and the *account numbers* assigned to each of his employees.

Information returns for employees who attain age 65 or die.—(Art. 403.) In addition to general information returns, the canner is required to file a separate special information return for each employee who attains the age of 65 or dies

after January 1, 1937. This return must be made on Form SS-3 within 15 days after the 65th birthday or death, as the case may be. In addition to reporting the attainment of age 65 or death of the employee, it must state the taxable wages paid to the employee, or earned but not yet paid, since the close of the last period for which a general information return has been filed. The canner must also attach to the return satisfactory evidence that the employee has reached 65, if this is the occasion which prompted the filing of the return. These returns must show the identification number of the employer and the account number of the employee.

Copies of these prescribed forms may be obtained from the various Collectors of Internal Revenue. An employer will not be excused from making a return for the reason that no form has been furnished to him. The properly executed returns should be filed with the Collector of Internal Revenue for the district in which the canner has his principal place of business.

Penalties

For failure to file a return when due or for filing a false or fraudulent return.—If the canner fails to file his monthly tax return on Form SS-1 on the date it is due, there is assessed against him a penalty equal to the following percentage of the taxes covered by that return:

(1) 5 per cent, if the return is filed on or before the thirtieth day after the due date;

(2) 10 per cent, if the return is filed after such thirtieth day and on or before the sixtieth day after the due date;

(3) 15 per cent, if the return is filed after such sixtieth day and on or before the ninetieth day after the due date;

(4) 20 per cent, if the return is filed after such ninetieth day and on or before the one hundred and twentieth day after the due date; or

(5) 25 per cent, if the return is filed after such one hundred and twentieth day or if the return is never filed by the person required to file it.

If a false or fraudulent return is willfully made, a penalty of 50 per cent of the total taxes due for the entire period involved is assessed, and in addition the Revenue Acts impose penalties of fine and imprisonment.

For failure to pay the tax when due.—If the tax is not paid to the Collector on its due date, interest accrues at the rate of 6 per cent per annum until the tax is paid. If the taxpayer fails to pay the Collector the entire amount of any assessment of tax, penalty or interest, within a period of ten days after the date of issuance of the first notice and demand based on the assessment, there accrues a penalty of 5 per cent of the amount of the assessment.

FOOD EXPORTS AND IMPORTS

Both Shipments and Receipts Record Gain Over Last Year's Figures

Total exports of food products from the United States during October were valued at \$24,870,000, as compared with \$23,650,000 during October 1935, according to preliminary statistics issued by the Foodstuffs Division of the Bureau of Foreign and Domestic Commerce. The export total of \$174,830,000 for the first ten months of 1936 also showed an in-

crease of \$5,514,000 over the corresponding period of 1935.

Imports of food products into the United States during October were valued at \$61,278,000 as compared with \$51,748,000 for the same month of last year. Total food imports for the first ten months of 1936 amounted to \$600,669,000, an advance of \$48,196,000 over the ten months in 1935.

Among the canned items which showed increased exports in October and for the ten month period when compared with last year's statistics were salmon, sardines, and asparagus. Imports of canned meats increased and the imports of canned tomatoes and tuna decreased. The following are comparable figures for certain important canned foods:

	1935		October 1936	
	Thou. pounds	Thou. dollars	Thou. pounds	Thou. dollars
EXPORTS				
Salmon.....	3,071	534	8,028	1,318
Sardines.....	5,965	350	6,554	405
Asparagus.....	983	125	1,176	175
Apricots.....	2,938	220	1,722	129
Grapefruit.....	916	52	219	14
Peaches.....	13,828	948	6,361	460
Pears.....	18,823	1,282	8,121	590
IMPORTS				
Meats.....	5,400	383	9,002	826
Tuna.....	653	103	161	27
Tomatoes.....	11,762	468	8,281	318

	January-October			
	1935	1936	1935	1936
EXPORTS				
Salmon.....	38,093	5,706	38,365	6,323
Sardines.....	32,475	2,023	41,082	2,383
Asparagus.....	15,338	1,906	15,703	3,122
Apricots.....	17,661	1,357	23,376	1,703
Grapefruit.....	29,386	1,699	23,771	1,469
Peaches.....	61,615	4,295	67,744	4,562
Pears.....	63,172	4,548	56,374	4,006
IMPORTS				
Meats.....	62,933	4,441	82,427	7,927
Tuna.....	7,468	1,154	6,668	1,068
Tomatoes.....	56,346	2,227	46,895	1,818

Indiana Canners Association Officers

Officers elected by the Indiana Canners Association for 1937 are as follows: President, Craig Dillon, Vincennes Packing Corporation, Vincennes; Vice-President, Rodney Koontz, Gaston Canning Company, Gaston; Secretary, J. J. Rogers, Occidental Building, Indianapolis.

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